GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3320
ANSWERED ON:05.08.2016
Incentives for Industrial Development
Ram Mohan Naidu Shri Kinjarapu

Will the Minister of FINANCE be pleased to state:

(a) whether the Union Government is aware of the proposal sent by the Government of Andhra Pradesh (A.P.) requesting the increase in the incentives for the promotion of Industrial Development in Andhra Pradesh including sanction of Rs.1500 crore every year for the next four years and if so, the details thereof;

(b) whether any action has been taken by the Government in this regard and if so, the details thereof; and

(c) whether the Union Government has any timeline in mind about the proposed implementation of the same?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ARJUN RAM MEGHWAL)

(a) to (c): Requests have been received from the Government of Andhra Pradesh to provide tax concessions and incentives for Industrial investments in the State for a period of 15 years.
Department of Industrial Policy and Promotion (DIPP) had moved a proposal for interest subvention to industrial units in Andhra Pradesh and Telengana for appraisal of Committee on Non-Plan Expenditure. After detailed deliberations, the Committee recommended that as an alternate to grant of subsidy, DIPP may explore the possibility of creating an Entrepreneurial Startup Fund of Rs.100 crore for the period restricted to two years for promotion of new entrepreneurs in both the States. Accordingly, the DIPP has requested the Govt. of Andhra Pradesh in July 2016 to submit a detailed proposal of the schematic framework for the consideration of the Committee on Non-Plan Expenditure.
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